

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 868 - HB 1130

May 3, 2021

SUMMARY OF ORIGINAL BILL: Extends, from 10 to 30, the number of days in which a notice must be filed after to appeal an order denying or granting class action certification.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (008130): Deletes all language after the enacting clause. Creates a statewide chancery court of original jurisdiction comprised of three judges representing each grand division, to adjudicate cases that are challenging the constitutionality of state statutes, executive order, or rule that are brought against the state, a department, agency, or any state official acting in official capacity. Requires the clerks and marshals of the Supreme Court to act as such for the Court of Special Appeals, without additional compensation. Provides each judge with a furnished office space within their county of residence, an assistant, and two law clerks. Initiates terms beginning October 1, 2021.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures – \$1,077,000/FY21-22
\$1,389,500/FY22-23 and Subsequent Years**

Assumptions for the bill as amended:

- The creation of the chancery court would necessitate expenditures for three chancellors, three legal secretaries, and six law clerks.
- There will be a recurring expenditure of \$1,297,749 in salary and benefits for those twelve positions.
- The Administrative Office of the Courts reimburses judicial branch officials for travel in the performance of their duties.
- It is estimated that travel reimbursement for three judges will exceed \$20,000 annually.
- Per the language of the legislation, as amended, the newly created court shall sit in the supreme court buildings in Knoxville, Nashville, and Jackson, unless a location is otherwise designated by the Supreme Court.

- Each judge is provided office space in the judge's county of residence. It can be reasonably assumed that rent and utilities for all three locations will cost up to \$36,000 per year.
- There will further be various recurring office expenses for printing, supplies, legal subscriptions, communications etc., estimated to be \$26,000 each year.
- There will further be one-time costs, including books, furniture, computers, etc., estimated to be \$26,600 in FY21-22.
- Based upon information provided by the vendor, installation and training for the TnCIS system would cost \$15,561 in FY21-22. The recurring cost for maintenance of the system will be \$9,711 in FY22-23 and subsequent years.
- As this legislation is effective beginning October 1, 2021, there will a 75 percent impact in FY21-22.
- The increase in state expenditures in FY21-22 will be \$1,076,973 $\{[(\$1,297,749 + \$36,000 + \$20,000 + \$26,000) \times 75\%] + \$26,600 + \$15,561\}$.
- The recurring increase in state expenditures from the General Fund in FY22-23 and subsequent years will be \$1,389,460 $(\$1,297,749 + \$36,000 + \$20,000 + \$26,000 + \$9,711)$.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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